VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: POCAHONTAS GAS PARTNERSHIP

RELIEF SOUGHT:

POOLING OF INTERESTS
IN DRILLING UNIT NO. O-42
PURSUANT TO SECTION
45.1-361.22, (CODE OF
VIRGINIA, 1950 AS AMENDED)
FOR THE PRODUCTION OF
COALBED METHANE GAS (herein
referred to as "Coalbed
Methane Gas" or "Gas")

VIRGINIA GAS AND OIL BOARD

DOCKET NO. VGOB 93-0316-0340

LEGAL DESCRIPTION:

DRILLING UNIT NUMBER 0-42
(Hereafter "Subject Drilling Unit")
IN THE OAKWOOD COAL BED GAS FIELD
I HURRICANE BRANCH EXTENSION
JEWELL RIDGE QUADRANGLE, GARDEN
MAGISTERIAL DISTRICT, BUCHANAN COUNTY,
VIRGINIA (the "Subject Lands" are more
particularly described on Exhibit
"A", attached hereto and made a
part hereof)

REPORT OF THE BOARD

FINDINGS AND ORDER

- 1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on April 20, 1993, Ratliff Hall, Southwest Virginia 4-H Center, Abingdon, Virginia.
- 2. Appearances: Elizabeth McClanahan, Penn, Stuart, Eskridge & Jones appeared for the Applicant, Pocahontas Gas Partnership; and Sandra B. Riggs, Assistant Attorney General was present to advise the Board.
- Jurisdiction and Notice: Pursuant to Sections 45.1-361.1 et seq., Virginia Code, 1950 as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of potential owners, i.e., persons identified by Applicant as having or claiming the rights to coalbed methane gas in all coal seams below the Tiller Seam, including the Lower Castle, Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, C, War Creek, Pocahontas No. 10, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams, coalbed or pools, rock strata associated therewith, strata correlative to the coal seams and coalbeds, and all zones in communication therewith and all productive extensions thereof (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands, and (2) has given notice to all parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) and entitled by §§ 45.1-361.19 and 45.1-361.22, Virginia Code, 1950 as amended, to notice of this application, and (3) that the persons set forth in Exhibit C

hereto are persons identified by applicant who may be claimants of Coalbed Methane Gas interests in Subject Formation, in Subject Drilling Unit underlying and comprised of Subject Lands. Set forth in Exhibit D hereto are those persons who have not leased their interests to the operator and/or who have not voluntarily agreed to pool their interests, and set forth in Exhibit E are the conflicting claimants. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19B, Virginia Code, 1950 as amended. Whereupon, the Board hereby finds that, the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

- 4. Amendments: None.
- 5. Dismissals: None.
- 6. Relief Requested: Applicant requests (1) that pursuant to §§ 45.1-361.22, including the applicable portions of § 45.1-361.21, Code of Virginia, 1950 as amended, the Board pool all the rights and interests in and to the Gas in Subject Drilling Unit, of the known and unknown persons named in Exhibit C hereto and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas, produced from Subject Drilling Unit established for the Subject Formation underlying comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"), and (2) that the Board designate Pocahontas Gas Partnership as Unit Operator.
- Relief Granted: The requested relief in this cause be and hereby is granted and: (1) Pursuant to Sections 45.1-361.21.C.3, Code of Virginia, 1950 as amended, Pocahontas Gas Partnership (hereafter "Unit Operator") is designated as the Unit Operator authorized to drill and operate the well in the Subject Drilling Unit, subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, to the Oakwood Coalbed Gas Field I Order OGCB 3-90, dated May 18, 1990, as amended by VGOB 93-0216-0325 to encompass the Hurricane Branch Extension; to § 480-05-22.1 et seq., Gas and Oil Regulations; and to § 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the right and interests in and to the Gas in Subject Drilling Unit of the known and unknown persons listed on Exhibit "C", attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formation in the Subject Drilling Unit underlying and comprised of the Subject Lands.

Subject Formation Unit Size		Permitted Well Location	Field and Well Classification	Order <u>Number</u>	
All coal seams below the Tiller seam and associated strata	Approximately 80-acre square drilling unit	One (1) well bore to be located in Unit O-42 known as CBM-PGP-603 as depicted on Exhibit B-1	Oakwood Coal Bed Gas Field I Hurricane Branch Extension for Coal Bed Methane Gas Wells	OGCB 3-90 as amended by VGOB 93-0216-0325	

For the Subject Drilling Unit underlying and comprised of the Subject Land referred to as:

Unit Number 0-42 Buchanan County, Virginia

- 8. Election and Election Period: Each person set forth in Exhibit D may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.
 - 9. <u>Election Options</u>:
 - 9.1 Option 1 To Participate In The Development and Operation of the Drilling Unit: Any gas or oil owner listed in Exhibit D may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 480-05-22.2, Section 10 (herein "Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The Estimated, Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs:

Well CBM-PGP-603

\$211,920.04

A Participating Operator's proportionate cost hereunder shall be the results obtained by multiplying the Participating Operators' percentage as set forth in Exhibit D, times the Estimated, Completed-for-Production costs set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any gas or oil owner listed in Exhibit D may elect to accept a cash bonus consideration of \$1.00 per net mineral acre owned by such person, due upon entry of this Order and then annually until commencement of production of Gas from Subject Drilling Unit, and thereafter a royalty of 1/8th of \$/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas and gas condensate produced from any well development covered by this Order multiplied by the gas or oil owner's percentage as set forth in Exhibit D (for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by

Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said gas or oil owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed subsequent within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing gas or oil owner in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and by making said election does lease and assign its right, title, interests, estates, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

Option 3 - To Share In The Development And Operation As A Non-9.3. Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving the cash bonus consideration under Paragraph 9.2 above, any gas or oil owner listed in Exhibit D may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's right, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the assigned interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and by making said election does assign the right, interests, and claims in and to the

Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

- within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination or ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from the Subject Formation underlying Subject Lands.
- 11. Default By Participating Person: In the event a person elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated, Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from the Subject Formation underlying the Subject Lands covered hereby, except, however, for any royalties which would become due pursuant to Paragraph 9.2 hereof.
- 12. Assignment of Interest: In the event a person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Formations in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests, and claims in and to the Gas in Subject Formation in Subject Drilling Unit, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder.
- 13. Unit Operator (or Operator): Pocahontas Gas Partnership, be and hereby is designated as Unit Operator authorized to drill and operate any well in Subject Formation in Subject Drilling Unit, all subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, §§ 480-05-22.1 et seq., Gas and Oil Regulations and §§ 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Pocahontas Gas Partnership P. O. Box 200 Mavisdale, VA 24627 Phone: (703) 498-4512 Fax: (703) 498-4512 Attn: Randall M. Albert

- 14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the petition for appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referred to herein.
- 15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the mineral rights and interests in and to the Gas owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are chargeable against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens on each such person's interest until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. <u>Escrow Provisions</u>:

By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank P. O. Box 909 Tazewell, VA 24651 (herein "Escrow Agent")

- 16.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and shall, pursuant to Section 45.1-361.21.D, Code of Virginia, 1950 as amended, and said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with § 45.1-361.21.D., Code of Virginia, 1950 as amended.
- 16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment of other payment due and owing under this

Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Virginia Code Sections 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited by the Operator into the Escrow Account within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

- 17. Special Findings: The Board specifically and specially finds:
- 17.1. Applicant is a Virginia general partnership composed of Consolidation Coal Company, a Delaware corporation, and Conoco, Inc., a Delaware corporation, and is duly authorized and qualified to transact business in the Commonwealth of Virginia.
- 17.2 Applicant claims ownership of gas leases, coalbed methane gas leases, and/or coal leases representing 97.092 percent of the oil and gas interest; 100 percent of the Pocahontas No. 3 seam of coal, 100 percent of all coal below the Tiller seam, less the Pocahontas No. 3 seam, and 100 percent of the coalbed methane gas estate underlying Unit Number O-42 in Buchanan County, Virginia, which Subject Lands are more particularly described in Exhibit "A".
- 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia.
- 17.4 Applicant has drilled one (1) well, Well CBM-PGP-603, on the Subject Drilling Unit to a depth of 2,192.72 feet pursuant to Permit No. 2115 to develop the pool in Subject Formations.
- 17.5 The estimated total production from Subject Drilling Unit is 125 to 550 mmcf. The estimated average production from the Subject Drilling Unit over its life is 337.5 mmcf.
- 17.6 Respondents are listed on Exhibit "C". Set forth in Exhibit "D" is the name and last known address of each person who has not, in writing, leased to the Operator or voluntarily pooled their interests in Subject Drilling Unit for its development, but who have been identified by the Applicant as having or claiming a potential interest in the Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands. The known parties with conflicting ownership claims and the percentage of interest to be escrowed are shown on Exhibit E.
- 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above.
- 17.8 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the

Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of coalbed methane gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.

- 18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.
- Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).
- Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
- Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 23 1993, by a majority of the Virginia Gas and Oil Board.

DONE AND PERFORMED this day of of this Board.

, 1993, by Order

Byron Thomas Fulmer
Principal Executive To The Staff Virginia Gas and Oil Board

STATE OF VIRGINIA COUNTY OF WISE

Acknowledged on this 23 day of feether, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized

> Susan G. Garrett Notary Public

My commission expires 7/31/94

STATE OF VIRGINIA COUNTY OF WASHINGTON

Acknowledged on this day of , 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

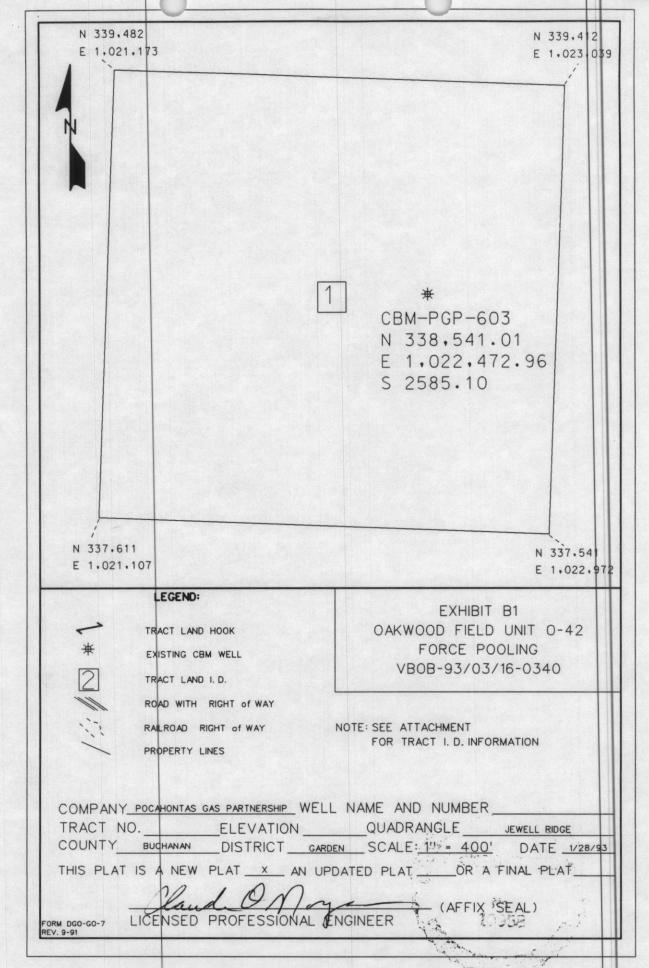
Diane J. Davis Notary Public

My commission expires 9/30/97

"SUBJECT LANDS" - 0-42

EXHIBIT A

BEGINNING at a point Virginia (South Rectangular) State Plane Coordinate N 339482 E 1021173, thence S 02° 01′ 13" W 1872.16 feet to a point (N 337611 E 1021107), thence S 87° 51′ 02" E 1866.31 feet to a point (N 337541 E 1022972), N 02° 03′ 03" E 1872.2 feet to a point (N 339412 E 1023039), N 87° 51′ 06" W 1867.31 feet to the point of Beginning, containing 80 acres.



Pocahontas Gas Partnership Unit 0-42 Tract Identifications

1. P. J. Brown Heirs - Coal, Oil & Gas
Coal Lessees
Reserve Coal Properties - All coal below Tiller
Sea "B" Mining - Jawbone Seam
Jewell Smokeless - All coal Tiller & above except Jawbone
Pocahontas Gas Partnership - 97.090% Oil & Gas - CBM Lessee
Cabot - 2.778% Oil & Gas Lessee
80 acres - 100.00%

EXHIBIT C

VGOB-93/03/16-0340

Owners and Potential Owners of Methane Gas

Unit 0-42

I. Coal Fee Ownership

		THE RESERVE OF THE SECOND SECOND	T. Indiana.	
4	-	D	TT	
THE RESERVE OF THE PARTY OF THE		REOWN	HOITE	
4.	T .	DIOMII	Heirs	

80.00 acres - 100.000%

- a. John R. Mullins Drawer 4287 Richlands, VA 24641
- 13.33 acres 16.667% (0.166667 x 80.00 acres)
- b. Oscar W. Thompson, Jr. P.O. Box 72
 Pikeville, KY 41501
- 2.22 acres 2.778% (0.027778 x 80.00 acres)
- C. Betty T. Scott
 P.O. Box 3426
 Pikeville, KY 41501
- 2.22 acres 2.778% (0.027778 x 80.00 acres)
- d. Edith Mae Vanhoose P.O. Box 2319 Pikeville, KY 41501
- 2.22 acres 2.778% (0.027778 x 80.00 acres)
- e. Ballard W. Cassady, MD
 Pikeville Medical
 Building
 P.O. Box 3369
 Pikeville, KY 41501
- 2.22 acres 2.778% (0.027778 x 80.00 acres)
- f. Michael C. Ramsey
 c/o Geraldine T. or
 Joe Ramsey
 1903 N. Mayo Trail,
 Suite 285
 Pikeville, KY 41501
 - Michael C. Ramsey 0.74 acres 0.926% c/o Geraldine T. or (0.009259 x 80.00 acres)
- g. James P. Ramsey, Jr.
 c/o Geraldine T. or
 Joe Ramsey
 1903 N. Mayo Trail,
 Suite 285
 Pikeville, KY 41501
- 0.74 acres 0.926% (0.009259 x 80.00 acres)
- h. Susan Joyce Ramsey
 P.O. Box 390
 Pikeville, KY 41501
- 0.49 acres 0.617% (0.006173 x 80.00 acres)

> i. Joe B. Ramsey, Sr. 1903 N. Mayo Trail, Suite 285 Pikeville, KY 41501

1.48 acres - 1.852% (0.018519 x 80.00 acres)

j. William N. Ramsey, Jr. P.O. Box 390 Pikeville, KY 41501

0.49 acres - 0.617% (0.006173 x 80.00 acres)

k. G. Frank Ramsey
P.O. Box 390
Pikeville, KY 41501

0.49 acres - 0.617% (0.006173 x 80.00 acres)

1. Sue Carter Sloan 1014 Geneva Pearce, AZ 85625 6.67 acres - 8.333% (0.083333 x 80.00 acres)

m. John W. Gillespie
314 West Main Street
P.O. Box 675
Tazewell, VA 24651

3.33 acres - 4.167% (0.041667 x 80.00 acres)

n. Johnnye H. Hunter Suite 629A, Forum VI Greensboro, NC 27408 3.33 acres - 4.167% 0.041667 x 80.00 acres)

o. Eldridge Brown 1923 Front Street Richlands, VA 24641 15.24 acres - 19.048% (0.190476 x 80.00 acres)

p. James R. McKenry*
Stoney Point Center
700 Newton Road
Norfolk, VA 23502

13.33 acres - 16.667% (0.166667 x 80.00 acres)

*Attorney-in-fact for: 1) Patricia McKenry; 2) Charles R. McKenry; 3) Clave C. McKenry; 4) Nancy McKenry Gess; 5) Eloise G. McKenry; 6) Lucy Baldi; 7) Eugene F. Baldi; 8) John A. McKenry, III, 9) Mary M. McKenry; 10) Elizabeth McKenry; 11) Garnett McKenry; 12) Natalie Sue Callis; 13) Robert J. Callis; 14) James McKenry; and, 15) Michelle McKenry.

q. G. I. Brown Estate c/o G. I. Brown Rt. 2, Box 334 Cedar Bluff, VA 24609

2.22 acres - 2.778% (0.0277781 x 80.00 acres)

- r. Claytor S. Grove 0.74 acres 0.926% RD 2, Box 3081 (0.009259 x 80.00 acres) Front Royal, VA 22630-9656
- s. Doris L. Singhas 0.74 acres 0.926% (0.009259 x 80.00 acres) Berryville, VA 22611
- t. Martha Brown Short 2.22 acres 2.778% 7808 Shadwell Drive, NE (0.027778 x 80.00 acres) Roanoke, VA 24019
- u. James M. Brown Rt. 3, Box 220 Cedar Bluff, VA 24609

 0.16 acres - 0.198% (0.001984 x 80.00 acres)
- v. Martha C. Brown 0.05 acres 0.066% Rt. 2, Box 534 (0.000661 x 80.00 acres) North Tazewell, VA 24630
- W. Virginia Brown Palmer 0.03 acres 0.026% 1535 Oak Ridge Drive (0.00026455 x 80.00 acres) Salisbury, NC 28146
- y. Charles Henry Brown 0.03 acres 0.026% P.O. Box 1093 (0.00026455 x 80.00 acres) Bristol, VA 24203
- Z. William David Brown
 6 South Park Avenue
 Millville, NJ 08332
 0.03 acres 0.026%
 (0.00026455 x 80.00 acres)
- aa. Eugene L. Brown, Jr. 0.03 acres 0.026% Rt. 3, Box 144 (0.00026455 x 80.00 acres) Tazewell, VA 24651
- bb. Ruth Martin
 Blankenships Trailer
 Park
 P.O. Box 1225

 0.74 acres 0.926%
 (0.009259 x 80.00 acres)

Oceana, WV 24870

> Catherine Lee Estate cc. Morris R. Lee, Administrator RFD 2, Box 92 Cedar Bluff, VA 24609

0.74 acres - 0.926% (0.009259 x 80.00 acres)

Hanna Taylor dd. RFD 2, Box 281 Cedar Bluff, VA 24609

2.96 acres - 3.704% (0.037037 x 80.00 acres)

ee. Buford E. Steele P.O. Box 420 Front Royal, VA 22630

0.37 acres - 0.463% (0.0046295 x 80.00 acres)

Mary Francis Carter Front Royal, VA 22630

0.37 acres - 0.463% 284 West Strasburg Road (0.0046295 x 80.00 acres)

II. Coal Leasehold Ownership

80.00 acre tract:

Reserve Coal Properties 80.00 acres - 100.000%* 1. 1800 Washington Road Pittsburgh, PA 15241

*NOTE:

The lease to Reserve Coal Properties is for all coal below the Tiller seam of coal.

Jewell Smokeless Coal 2. Company/Oakwood Red Ash Coal Corporation P.O. Box 70 Vansant, VA 24656

80.00 acres - 100.000%*

*NOTE:

The lease to Jewell Smokeless Coal Company is for all coal above drainage except the Jawbone seam of coal.

Sea "B" Mining Company 80.00 acres - 100.000%* 3. P.O. Box 26

Jewell Ridge, VA 24656

*NOTE: The lease to Sea "B" Mining Company is for the Jawbone seam of coal only.

III. Oil and Gas Fee Ownership

80.00 acre tract:

- 1. P. J. Brown Heirs:
 - John R. Mullins a. Drawer 4287 Richlands, VA 24641
 - b. Oscar W. Thompson, Jr. P.O. Box 72 Pikeville, KY 41501
 - Betty T. Scott C. P.O. Box 3426 Pikeville, KY 41501
 - d. Edith Mae Vanhoose P.O. Box 2319 Pikeville, KY 41501
 - e. Ballard W. Cassady, MD 2.22 acres 2.778% Pikeville Medical Building P.O. Box 3369 Pikeville, KY 41501
 - f. Joe Ramsey 1903 N. Mayo Trail, Suite 285 Pikeville, KY 41501
 - James P. Ramsey, Jr. Joe Ramsey 1903 N. Mayo Trail, Suite 285 Pikeville, KY 41501
 - Susan Joyce Ramsey 0.49 acres 0.617% h. P.O. Box 390 Pikeville, KY 41501
 - Suite 285 Pikeville, KY 41501

- 80.00 acres 100.000%
- 13.33 acres 16.667% (0.166667 x 80.00 acres)
- 2.22 acres 2.778% (0.027778 x 80.00 acres)
- 2.22 acres 2.778% (0.027778 x 80.00 acres)
- 2.22 acres 2.778% (0.027778 x 80.00 acres)
- (0.027778 x 80.00 acres)
- Michael C. Ramsey 0.74 acres 0.926% c/o Geraldine T. or (0.009259 x 80.00 acres)
- 0.74 acres 0.926% c/o Geraldine T. or (0.009259 x 80.00 acres)
 - (0.006173 x 80.00 acres)
- Joe B. Ramsey, Sr. 1.48 acres 1.852% 1903 N. Mayo Trail, (0.018519 x 80.00 acres)

- j. William N. Ramsey, Jr. P.O. Box 390 Pikeville, KY 41501
- 0.49 acres 0.617% (0.006173 x 80.00 acres)
- k. G. Frank Ramsey P.O. Box 390 Pikeville, KY 41501
- 0.49 acres 0.617% (0.006173 x 80.00 acres)
- 1. Sue Carter Sloan 1014 Geneva Pearce, AZ 85625
- 6.67 acres 8.333% (0.083333 x 80.00 acres)
- m. John W. Gillespie
 314 West Main Street
 P.O. Box 675
 Tazewell, VA 24651
- 3.33 acres 4.167% (0.041667 x 80.00 acres)
- n. Johnnye H. Hunter Suite 629A, Forum VI Greensboro, NC 27408
- 3.33 acres 4.167% 0.041667 x 80.00 acres)
- o. Eldridge Brown 1923 Front Street Richlands, VA 24641
- 15.24 acres 19.048% (0.190476 x 80.00 acres)
- p. James R. McKenry*
 Stoney Point Center
 700 Newton Road
 Norfolk, VA 23502
 - James R. McKenry* 13.33 acres 16.667% Stoney Point Center (0.166667 x 80.00 acres)

*Attorney-in-fact for: 1) Patricia McKenry; 2) Charles R. McKenry; 3) Clave C. McKenry; 4) Nancy McKenry Gess; 5) Eloise G. McKenry; 6) Lucy Baldi; 7) Eugene F. Baldi; 8) John A. McKenry, III, 9) Mary M. McKenry; 10) Elizabeth McKenry; 11) Garnett McKenry; 12) Natalie Sue Callis; 13) Robert J. Callis; 14) James McKenry; and, 15) Michelle McKenry.

- r. Claytor S. Grove 0.74 acres 0.926% RD 2, Box 3081 (0.009259 x 80.00 acres) Front Royal, VA 22630-9656

- Doris L. Singhas s. 213 Page Street Berryville, VA 22611
- 0.74 acres 0.926% (0.009259 x 80.00 acres)
- Martha Brown Short Roanoke, VA 24019
 - 2.22 acres 2.778% 7808 Shadwell Drive, NE (0.027778 x 80.00 acres)
- James M. Brown u. Rt. 3, Box 220 Cedar Bluff, VA 24609
- 0.16 acres 0.198% (0.001984 x 80.00 acres)
- Martha C. Brown 0.05 acres - 0.066% v. Rt. 2, Box 534 (0.000661 x 80.00 acres) North Tazewell, VA 24630
- Virginia Brown Palmer W. 1535 Oak Ridge Drive Salisbury, NC 28146
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)
- Benjamin Patton Brown x. Rt. 1, Box 143A Pounding Mill, VA 24537
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)
- Charles Henry Brown у. P.O. Box 1093 Bristol, VA 24203
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)
- William David Brown 6 South Park Avenue Millville, NJ 08332
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)
- aa. Eugene L. Brown, Jr. Rt. 3, Box 144 Tazewell, VA 24651
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)
- Ruth Martin bb. Blankenships Trailer Park P.O. Box 1225 Oceana, WV 24870
- 0.74 acres 0.926% (0.009259 x 80.00 acres)
- Catherine Lee Estate cc. Morris R. Lee, Administrator RFD 2, Box 92 Cedar Bluff, VA 24609
- 0.74 acres 0.926% (0.009259 x 80.00 acres)

Hanna Taylor dd. RFD 2, Box 281

Cedar Bluff, VA 24609

Buford E. Steele ee. P.O. Box 420 Front Royal, VA 22630

ff. Mary Francis Carter Front Royal, VA 22630 2.96 acres - 3.704% (0.037037 x 80.00 acres)

0.37 acres - 0.463% (0.0046295 x 80.00 acres)

0.37 acres - 0.463% 284 West Strasburg Road (0.0046295 x 80.00 acres)

IV. Oil and Gas Leasehold Ownership:

80.00 acre tract:

Pocahontas Gas 1. a. Partnership P.O. Box 200 Mavisdale, VA 24627 13.33 acres - 16.667%* 3.33 acres - 4.167%* 3.33 acres - 4.167%* 15.24 acres - 19.048%* 13.33 acres - 16.667%* 2.22 acres - 2.778%* 2.22 acres - 2.778%* 0.16 acres - 0.198%* 0.05 acres - 0.066%* 0.74 acres - 0.926%* 0.74 acres - 0.926%* 2.96 acres - 3.704%* 2.22 acres - 2.778*** 2.22 acres - 2.778%** 2.22 acres - 2.778*** 2.22 acres - 2.778*** 0.74 acres - 0.926%** 0.74 acres - 0.926%** 0.49 acres - 0.617%** 1.48 acres - 1.852%** 0.49 acres - 0.617%** 0.49 acres - 0.617%** 6.67 acres - 8.333%**

*NOTE:

This acreage was subleased to Pocahontas Partnership from Reserve Coal Properties.

**NOTE:

This acreage was assigned to Pocahontas Partnership by Virginia Gas Company (formerly Edwards & Harding Petroleum Company).

> b. Cabot Oil & Gas Corporation P.O. Box 1473 Charleston, WV 25325

0.74 acres - 0.926% 0.74 acres - 0.926% 0.74 acres - 0.926%

V. Coalbed Methane Leasehold Ownership

1. Pocahontas Gas Partnership P.O. Box 200 Mavisdale, VA 24627 13.33 acres - 16.667%* 3.33 acres - 4.167%* 3.33 acres - 4.167%* 15.24 acres - 19.048%* 13.33 acres - 16.667%* 2.22 acres - 2.778%* 2.22 acres - 2.778%* 0.16 acres - 0.198%* 0.05 acres - 0.066%* 0.74 acres - 0.926%* 0.74 acres - 0.926%* 2.96 acres - 3.704%* 2.22 acres - 2.778%** 2.22 acres - 2.778%** 2.22 acres - 2.778*** 2.22 acres - 2.778*** 0.74 acres - 0.926%** 0.74 acres - 0.926%** 0.49 acres - 0.617%** 1.48 acres - 1.852*** 0.49 acres - 0.617%** 0.49 acres - 0.617%** 6.67 acres - 8.333***

*NOTE:

This acreage was subleased to Pocahontas Partnership from Reserve Coal Properties.

**NOTE:

This acreage was assigned to Pocahontas Gas Partnership by Virginia Gas Company (formerly Edwards & Harding Petroleum Company).

2. Cabot Oil & Gas Corporation 0.74 acres - 0.926% P.O. Box 1473 0.74 acres - 0.926% Charleston, WV 25325 0.74 acres - 0.926%

EXHIBIT D

VGOB-93/03/16-0340

Unleased Owners and Potential Owners of Methane Gas

Unit 0-42

I. Oil and Gas Fee Ownership

80.00 acre tract:

- P. J. Brown Heirs:
- 80.00 acres 100.000% (Unleased 0.15 acres - 0.130%)
- Virginia Brown Palmer 1535 Oak Ridge Drive Salisbury, NC 28146
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)
- b. Benjamin Patton Brown Rt. 1, Box 143A Pounding Mill, VA 24537
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)
- C. Charles Henry Brown P.O. Box 1093 Bristol, VA 24203
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)
- William David Brown d. 6 South Park Avenue Millville, NJ 08332
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)
- Eugene L. Brown, Jr. Rt. 3, Box 144 Tazewell, VA 24651
- 0.03 acres 0.026% (0.00026455 x 80.00 acres)

II. Oil and Gas Leasehold Ownership:

80.00 acre tract:

- Cabot Oil & Gas Corporation 0.74 acres 0.926% P.O. Box 1473

 - Charleston, WV 25325
- 0.74 acres 0.926% 0.74 acres - 0.926%

V. Coalbed Methane Leasehold Ownership

- Cabot Oil & Gas Corporation 0.74 acres 0.926% P.O. Box 1473

 - Charleston, WV 25325
- 0.74 acres 0.926% 0.74 acres - 0.926%

EXHIBIT E

VGOB-93/03/16-0340

Conflicting Ownership Claimants

Unit 0-42

80.00 acre tract:

Coal Leasehold Owner

Reserve Coal Properties 80.00 acres - 100.000%* 1. 1800 Washington Road Pittsburgh, PA 15241

*NOTE:

The lease to Reserve Coal Properties is for all coal below the Tiller seam of coal.

Oil and Gas and Coalbed Methane Leasehold Owners

Pocahontas Gas 1. a. P.O. Box 200 Mavisdale, VA 24627 13.33 acres - 16.667%* 3.33 acres - 4.167%* 3.33 acres - 4.167%* 15.24 acres - 19.048%* 13.33 acres - 16.667%* 2.22 acres - 2.778%* 2.22 acres - 2.778%* 0.16 acres - 0.198%* 0.05 acres - 0.066%* 0.74 acres - 0.926%* 0.74 acres - 0.926%* 2.96 acres - 3.704%* 2.22 acres - 2.778%** 2.22 acres - 2.778*** 2.22 acres - 2.778*** 2.22 acres - 2.778%** 0.74 acres - 0.926%** 0.74 acres - 0.926%** 0.49 acres - 0.617*** 1.48 acres - 1.852%**

0.49 acres - 0.617%** 0.49 acres - 0.617%** 6.67 acres - 8.333***

*NOTE:

This acreage was subleased to Pocahontas Gas Partnership from Reserve Coal Properties.

**NOTE:

This acreage was assigned to Pocahontas Gas Partnership by Virginia Gas Company (formerly Edwards & Harding Petroleum Company).

> b. Cabot Oil & Gas Corporation P.O. Box 1473 Charleston, WV 25325

0.74 acres - 0.926% 0.74 acres - 0.926% 0.74 acres - 0.926%

[ls\68-68\042UtExb.E]

TESTE:

?... Clerk